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CIVIL SERVICE RETIREMENT

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1. GENERAL

This Regulation states Agency policy, procedures, and responsibilities in the administration of the civil-service retirement program and provides information on employee benefits, rights, and obligations. It does not include fiscal procedures pertaining to retirement deductions and accounts. This Regulation is based on the Civil Service Retirement Act of 1930 (P.L. 279 - 71st Congress), as amended to July 16, 1952, and applicable rules and regulations of the U.S. Civil Service Commission. The program mandatorily applies to all Agency employees whose salaries are subject to retirement deductions and who are entitled to the benefits and rights of the Act, as amended.

2. POLICY

The Central Intelligence Agency will effect the retirement of eligible employees in accordance with the spirit and purposes of the Civil Service Retirement Act and will provide assistance and advice to employees concerning their current and prospective benefits, privileges, and obligations.

3. RESPONSIBILITIES

- a. The Assistant Director (Personnel) has general responsibility for administration of the civil-service retirement program in the Agency.
- b. Fiscal activities, such as the maintenance of individual retirement records and accounting, are a responsibility of the Comptroller.

4. CONDITIONS OF ELIGIBILITY

a. MINIMUM SERVICE REQUIREMENT

A minimum of 5 years' creditable civilian employment is required for annuities and benefits under the retirement program.

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b. **SERVICE CREDITABLE FOR RETIREMENT**

(1) **Civilian Employment**

- (a) In addition to credit for service in a position covered by the civil-service retirement system, an employee who is occupying a position under civil-service retirement may be given credit for prior civilian employment in any branch of the Federal Government or in the government of the District of Columbia. Service covered by another Federal civilian retirement system may not, however, be credited for civil-service retirement if the employee credits it for benefits under the other system. Nonetheless, Federal employment which was covered by Social Security by reason of the nature of the individual's employment may be credited under both systems.
- (b) Credit is also given for periods of leave with pay, for leave without pay which does not exceed 6 months in a calendar year, and for periods of leave without pay when benefits are received under the Federal Employee's Compensation Act.

(2) **Military Service**

- (a) Credit toward civil-service retirement is allowed for prior honorable service in the Armed Forces of the United States except when such service is the basis on which the employee receives military retirement pay. However, military service in which a service-connected disability was incurred in combat with an enemy or from an explosion of an instrument of war, or which was performed under the provisions of Title III of the Army and Air Force Utilization and Retirement Equalization Act of 1948 (P.L. 810 - 80th Congress), is not only a basis for military retirement but such service may also be credited toward civil-service retirement. Title III of the Act provides for the grant of retired pay to members of the reserves. Basic requirements are attainment of age 60 and 20 years of satisfactory service, the last 8 years of which must have been in a reserve component. Only that part of the military service which was served on extended active duty and active duty training is creditable toward civil-service retirement.
- (b) Credit is allowed for periods of military service during which an employee was on leave from a position under the civil-service retirement system, except that such service cannot be credited for both civil-service and military retirement purposes.

c. AGE RETIREMENT - MANDATORY

An employee must be automatically retired for age when he has reached age 70 and has 15 or more years of creditable service unless he is continued in service by Executive Order. However, an employee who reaches age 70 prior to meeting the 15 years' service requirement may be retained until this requirement is met.

d. OPTIONAL RETIREMENT

An employee may elect to retire at any time after reaching age 55 under one of the following conditions:

- (1) Between the ages of 55 and 60, at a reduced annuity, after 30 or more years of creditable service.
- (2) Between the ages of 60 and 62, without a reduction in annuity, after 30 or more years of creditable service.
- (3) At age 62 or over, without a reduction in annuity, after 15 or more years of creditable service.

e. DISABILITY RETIREMENT

- (1) An employee may retire for disability if he meets all of the following conditions:

- (a) He is totally disabled for useful and efficient service in his position or one of comparable level.
- (b) His disability is not the result of vicious habits, intemperance, or willful misconduct demonstrated within the 5 years immediately preceding the disability.
- (c) He has not reached age 60 with 30 years' creditable service, or has not reached age 62 with 15 years' creditable service.
- (d) He has at least 5 years' creditable civilian service.

- (2) If an employee, ^{who is} retired for disability recovers before reaching age 60, his payments will be discontinued ~~immediately~~ preceding his reemployment in the Federal service or within one year from the physical examination showing recovery, whichever is earlier.

on the last day of the month

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- (3) An employee disabled in the performance of duty may be eligible for civil-service retirement benefits and for benefits under the Federal Employees' Compensation Act. In this circumstance, he may elect which of the benefits he will receive, but he may not receive benefits from both simultaneously.

f. DISCONTINUED-SERVICE RETIREMENT

- (1) An employee who has completed 5 or more years of creditable service and who is separated, voluntarily or for cause, is eligible to receive an annuity at the time of his separation if he is then age 62 or over. If he has not reached age 62 at the time of his separation, he becomes eligible upon reaching that age. Unlike an employee who retires optionally at age 62 with 15 or more years' creditable service (see paragraph 4d(3) above), an employee who retires at age 62 with 5 or more but less than 15 years' creditable service may not elect a reduced annuity with a survivor benefit. He is eligible only for a single life annuity as described in paragraph 5a(3) below.
- (2) When an employee with 25 or more years of creditable service is separated involuntarily, not for cause, he is entitled to an immediate annuity, subject to a reduction if he is under age 60.

5. ANNUITIES AND BENEFITS

a. ANNUITIES AVAILABLE TO EMPLOYEES ELIGIBLE FOR RETIREMENT

(1) General

An employee who retires under any of the conditions described in paragraph 4 above may elect to receive a single life annuity. He may be eligible to elect as an alternative a reduced annuity with provision for an annuity to certain of his survivors following his death.

(2) Computation of Annuities

- (a) The amount of an employee's annuity, payable each month, is computed by one of two basic formulae:

- (1) If the individual's average annual basic salary for the highest 5 consecutive years is under \$5000, his basic annuity consists of 1 percent of the average salary plus \$25, multiplied by the years of creditable service.
- (2) If the individual's average annual basic salary for the highest 5 consecutive years is \$5000 or more, his basic annuity consists of $1\frac{1}{2}$ percent of the average salary multiplied by the years of service.

- (b) Consideration is also given to other factors in the computation of his basic annuity, such as:
- (1) Deposits or redeposits if there is any creditable civilian service for which deductions are not in the Retirement Fund.
 - (2) Voluntary contributions, if any.
 - (3) Age of the employee if he is under age 60 and retires for reasons other than disability.
- (c) The employee's basic annuity may not exceed 80 percent of his average annual salary for the highest 5 consecutive years.
- (d) If the employee elects a survivor annuity as described in (4) and (5) below, he is subject to a reduced annuity.
- (e) The Certificate of Membership, Standard Form 105, furnished each employee upon entrance on duty in the Agency, provides general information on annuities. Although the Civil Service Commission is responsible for final adjudication of employee rights and benefits, the Personnel Office will assist interested employees in estimating the amount of annuity payments in individual cases.

(3) Single Life Annuity

The single life annuity provides for monthly payments to the employee for life except when the annuity is terminated by his reemployment in the Federal service or by his recovery if he was retired for disability. Except as provided in paragraph 5b below, this type of annuity does not provide annuity benefits to survivors of the retired employee. This is the only type of annuity available to an employee who is entitled to a deferred annuity upon reaching age 62 (as described in paragraph 4f(1) above).

(4) Reduced Annuity with Benefit to Widow or Widower

- (a) A reduced annuity providing a survivor annuity for the widow or widower may be elected by any married employee who retires under the age, optional, or disability provisions of the retirement program or following involuntary separation, not for cause, after 25 years' service.
- (b) The survivor's annuity is 50 percent of the single life annuity rate for which the retired employee would have been eligible if he had not elected to receive a reduced annuity with survivor benefits. The survivor's annuity commences at age 50 or upon the death of the retired employee, whichever is later. Annuity payments are terminated by the survivor's death or remarriage.

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(5) Reduced Annuity with Benefit to Person Named

- (a) A reduced annuity providing a survivor annuity to a person named by the retiring employee may be elected by an unmarried employee, including a widow or widower, who retires in good health. The person named must have an insurable interest in the employee. (An insurable interest is presumed between persons of near relationship and may exist if the person concerned has a pecuniary interest in the continuance of the life of the retiring employee.)
- (b) This type of annuity is not available to an employee retiring under the disability or discontinued-service provisions (described in paragraphs 4e and 4f above), unless the employee is retiring upon involuntary separation, not for cause, after 25 years of service.
- (c) The annuity to the person named is 50 percent of that of the retired employee and commences upon the death of the retired employee. Payments continue for the life of the person named.

b. SURVIVOR BENEFITS PAYABLE UPON DEATH OF EMPLOYEE

(1) Lump-sum Payments

If upon the death of an employee, whether retired or on duty at the time, a balance remains to his credit in the Retirement Fund, a lump-sum payment will be paid to his beneficiary unless there is a survivor eligible for immediate or future annuity benefits as described in paragraph 5a(4) and (5) above and 5b(2) and (3) below. If a balance still remains following the termination of all survivor annuity benefits, it will be paid in a lump sum to his beneficiary.

- (a) Unless the employee has designated otherwise, as provided in (b) below, lump-sum payments will be made to the beneficiary according to the order of precedence established by law, which is:
 - (1) Widow or widower.
 - (2) If neither of the above, the child or children in equal shares.
 - (3) If none of the above, to the parents in equal shares.
 - (4) If none of the above, to the executor or administrator.
 - (5) If none of the above, to the next of kin under the laws of the state in which the individual is domiciled.

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- (b) If the employee desires to designate a beneficiary out of the order of precedence or to change a previous designation, he will execute, in the Personnel Office, Standard Form 2808, Designation of Beneficiary, in duplicate. Both copies of the form will be officially receipted by the Personnel Office as an agent of the U. S. Civil Service Commission. The duplicate will be returned to the employee for his personal record, and the original will be transmitted to the Fiscal Division, if the employee is on the vouchered payroll, or to the Finance Division in the case of employees paid from confidential funds. The designation will be retained by the appropriate Division until the employee leaves the Agency, at which time it will be forwarded to the Civil Service Commission.

(2) Annuity Benefits When Employee Dies after Retirement

Even though a retired employee has not elected a survivor benefit based on a reduced annuity, annuity benefits may be payable upon the employee's death to a widow and dependent children under the following conditions:

- (a) The employee must have retired with at least 15 years' service with eligibility for an immediate annuity or have been retired for disability.
- (b) The widow is eligible for an annuity if she is under age 50 and has been married to the retired employee for at least 2 years immediately preceding his death or is the mother of his child by such marriage, and there is a surviving child who is unmarried and either under age 18 or incapable of self-support by reason of physical or mental disability. Annuity payments are terminated at age 50 or upon remarriage or death of the widow. No annuity is payable to a surviving widower.
- (c) A surviving child (or children) who is unmarried and either under age 18 or incapable of self-support by reason of physical or mental disability is eligible for an annuity provided that no widower survives. Annuity payments are terminated when the surviving child no longer meets these conditions.

(3) Annuity Benefits When Employee Dies Prior to Retirement

If an employee dies prior to retirement but after 5 or more years of creditable civilian service, survivor benefits may be payable to a widow and dependent children under the following conditions:

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- (a) The widow is eligible for an annuity if she has been married to the employee for at least 2 years immediately preceding his death or is the mother of his child by such marriage. No annuity is payable to a surviving widower. If a dependent child survives, the widow's annuity begins immediately; otherwise, the annuity begins when the widow reaches age 50. Annuity payments are terminated if the widow remarries or dies.
- (b) A surviving child (or children) who is unmarried and either under age 18 or incapable of self-support by reason of physical or mental disability is eligible for an annuity provided that no widower survives. Annuity payments are terminated when the surviving child no longer meets these conditions.

6. CONTRIBUTIONS TO RETIREMENT FUND

a. DEDUCTIONS FROM SALARY

Currently, a 6 percent deduction is withheld from the employee's base salary as his contribution to his retirement account. Interest on these deductions is compounded annually at the rate of 3 percent for periods of service over one year and credited to the employee's account.

b. DEPOSITS AND REDEPOSITS

(1) Deposits for Service Not Covered by Deductions

Although periods of civilian service for which deductions were not made are creditable toward length of service for retirement purposes, the employee's annuity is reduced by an amount equal to 10 percent of the unpaid amount. However, the employee may make deposits covering the amount that would have been withheld plus accrued interest and receive full benefits for such service. Such deposits are not required for civilian service performed before 1 August 1920 or for military service.

(2) Redeposits for Service Covered by Refunds

An employee who has received a refund of retirement deductions loses credit for the periods of service covered by the refund, although all service is credited in determining title to annuity regardless of whether or not a redeposit is made. If the employee is again employed in a position covered by the civil-service retirement system, he may obtain credit for the periods covered by refund by making a redeposit of the amount refunded plus interest during all periods of employment after the refund.

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(3) Making Deposits and Redeposits

An employee applying for a deposit or redeposit will prepare Standard Form 2803, Application for Service Credit, and forward it to the Personnel Office. (Standard Form 103, Application for Service Credit, may be used until the present supply is exhausted.) The Personnel Office will review such applications for the creditability and continuity of service and will forward them to the U. S. Civil Service Commission. The Commission will instruct the employee regarding the manner of making payments.

c. VOLUNTARY CONTRIBUTIONS

- (1) If the operating office concerned interposes no security objections, an employee may increase the amount of his future annuity benefits by making voluntary contributions to the Retirement Fund. Any outstanding deposits or redeposits should be made first. The employee will submit Standard Form 2804, Election to Make Voluntary Contributions, directly to the U. S. Civil Service Commission, which will issue instructions for making payment. (Standard Form 104, Election to Make Voluntary Contributions, may be used until the present supply is exhausted.)
- (2) Contributions may be made in amounts of \$25 or multiples thereof. The total amount may not exceed 10 percent of the aggregate salary received by the employee since 1 August 1920.
- (3) The Agency does not maintain any record of voluntary contributions nor are such contributions entered on the employee's retirement record card maintained by the Office of the Comptroller.

d. REFUNDS

- (1) An employee who is absolutely separated from the Federal service may receive a refund of retirement deductions plus accrued interest under the following conditions:
 - (a) If the employee has less than 5 years of creditable civilian service, he may apply for a refund since he is not eligible for an annuity.
 - (b) If the employee has at least 5 years but less than 20 years of creditable service, he may elect whether to apply for a refund or to receive a deferred annuity at age 62.
 - (c) If the employee has 20 or more years of creditable service, he is ineligible for a refund.
- (2) An employee who transfers to a position under another Federal retirement system may elect to receive a refund regardless of the number of years of creditable service.

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- (3) An eligible employee may apply for a refund by executing Standard Form 2802, Application for Refund of Retirement Deductions. (Standard Form 102, Application for Refund of Retirement Deductions, may be used until the present supply is exhausted.) If the employee applies during processing of his separation, he may execute the form during the exit interview. If he resigns while in a leave status without returning to the Agency, he may obtain the form from the Personnel Office by letter request. Completed applications will be received by the Personnel Office and forwarded to the Fiscal or Finance Division, Office of the Comptroller, as appropriate, for processing and submission to the U. S. Civil Service Commission.

7. ADMINISTRATIVE PROCEDURES

a. VERIFICATION OF SERVICE

The Personnel Office will verify, or obtain from the U. S. Civil Service Commission verification of, the amount and creditability of service for retirement purposes. If the employee is to be retired for age, verification from the Civil Service Commission will be obtained not less than one year, but not more than two years, in advance. Notice of the verification will be forwarded through appropriate administrative channels to the person involved when his eligibility for retirement or his decision to retire is contingent upon the determination.

b. ADVANCE NOTICE OF RETIREMENT

At least 60 days' advance notice is required to be given to an employee who is to be retired for age. In all cases in which the Agency initiates retirement, the employee will be given as much advance notice as practicable.

c. INTERVIEW AND APPLICATION

- (1) An employee whose retirement is contemplated should be referred to the Personnel Office for interview. In instances of age retirement, this interview should take place approximately 6 months before his prospective retirement. At this time, he will be advised as to his eligibility, the alternative benefits available to him, and the procedure to be followed in filing Standard Form 2801, Application for Retirement.
- (2) An employee who is eligible at separation for a refund of deductions or for a deferred annuity upon reaching age 62 will be advised of his retirement rights at the time of his exit interview.
- (3) Application for disability retirement may be submitted by the Agency when the circumstances warrant such action and the employee refuses to make application, or it may be submitted by the employee's guardian, a relative or some other interested person in cases of mental incompetence. The following supporting documents are required in connection with an application for disability retirement:

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- (a) The employee's supervisor will prepare a memorandum concerning the facts in the case and the manner in which the disability affects the individual's performance of duty. This memorandum must also indicate whether the employee has been offered any other position, and its rate of compensation; whether the employee is able to perform the duties of another position; and whether or not the disability was caused by the employee's vicious habits, intemperance, or willful misconduct.
- (b) If the employee or an interested person makes the application, he will request from the attending physician a full report on the evidence of disability, the date on which it began, the extent to which it disables the employee and whether or not it is attributable to vicious habits, intemperance or willful misconduct. The physician will be advised to submit his report to the Personnel Office.
- (c) When the application is made by the individual or by someone in his behalf, he will be referred to the Agency Medical Office for an examination whenever possible. The Medical Office will forward its findings, including a report of the historical development of the disability during Agency employment, to the Assistant Director (Personnel). If the individual is unable to appear for a medical examination, the Medical Office will submit a report based upon available or obtainable information. If the Agency initiates the application, the individual will be required to take an Agency medical examination only if he freely consents.

d. TRANSMITTAL OF APPLICATIONS TO THE U. S. CIVIL SERVICE COMMISSION

The Personnel Office will forward retirement applications to the U. S. Civil Service Commission after obtaining the necessary fiscal records from the Office of the Comptroller. The Personnel Office will forward refund applications to the Office of the Comptroller for final processing and transmittal to the U. S. Civil Service Commission.

e. STATUS OF EMPLOYEE DURING PERIOD OF APPLICATION

In each case of an application for disability retirement, the employee may resign, but the Agency will not initiate action to separate the employee before the application is allowed or disallowed by the Civil Service Commission. While the application is pending, the employee may be carried on sick or annual leave or leave without pay. An application for any type of retirement other than disability, specified in paragraph 4 above, cannot be processed until the employee is separated.

f. EXECUTION OF RETIREMENT FORMS

- (1) The forms referred to in this Regulation may be obtained from the Personnel Office.

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- (2) Spaces on retirement forms concerning place of employment, location of employment, and position title will be completed as follows:
- (a) "CIA" will be stated as the place of employment. The subordinate unit--Division, Branch, etc.--will not be shown.
 - (b) "Washington, D. C." will be listed as the location of employment.
 - (c) A general position title may be used if it is not peculiar to this Agency.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

L. K. WHITE
Acting Deputy Director
(Administration)

DISTRIBUTION: AB

L. R. H
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